

## U.S. Credit Update – May 5, 2026

- Fixed Income and Corporate Sector Returns
- Options-Adjusted Spreads
- Biggest Movers
- Credit ETF Flows
- Issuance Recap

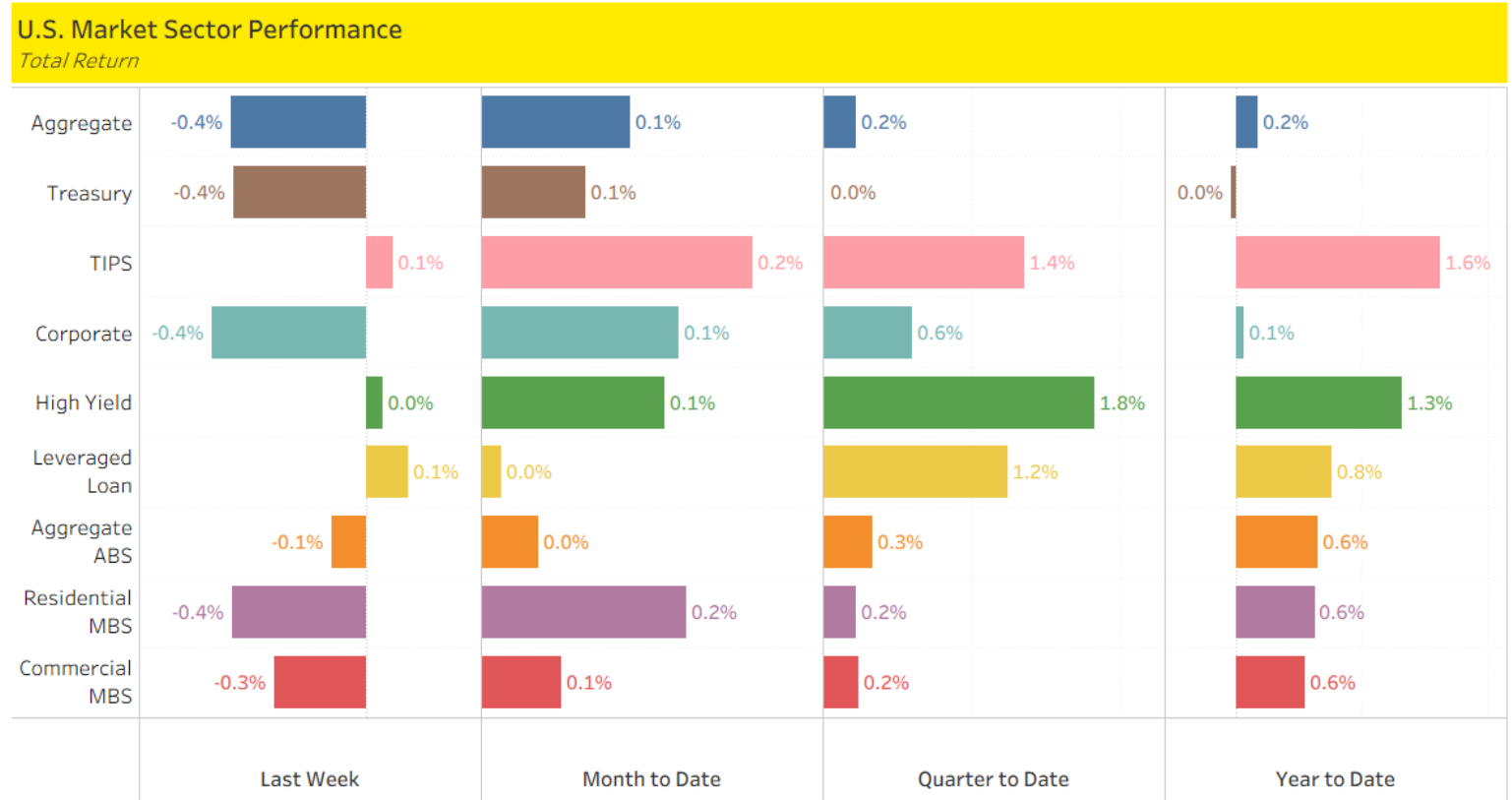
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Gus Handler and Scott Hirth  
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# Fixed Income Sector Unhedged Total Returns

## Treasury yields rise led by front end

Front end Treasury yields jumped by another 10 bps last week as rising oil prices remain an ongoing concern. Consensus among real money accounts is that the risk yields and oil prices continue to rise remains significant.



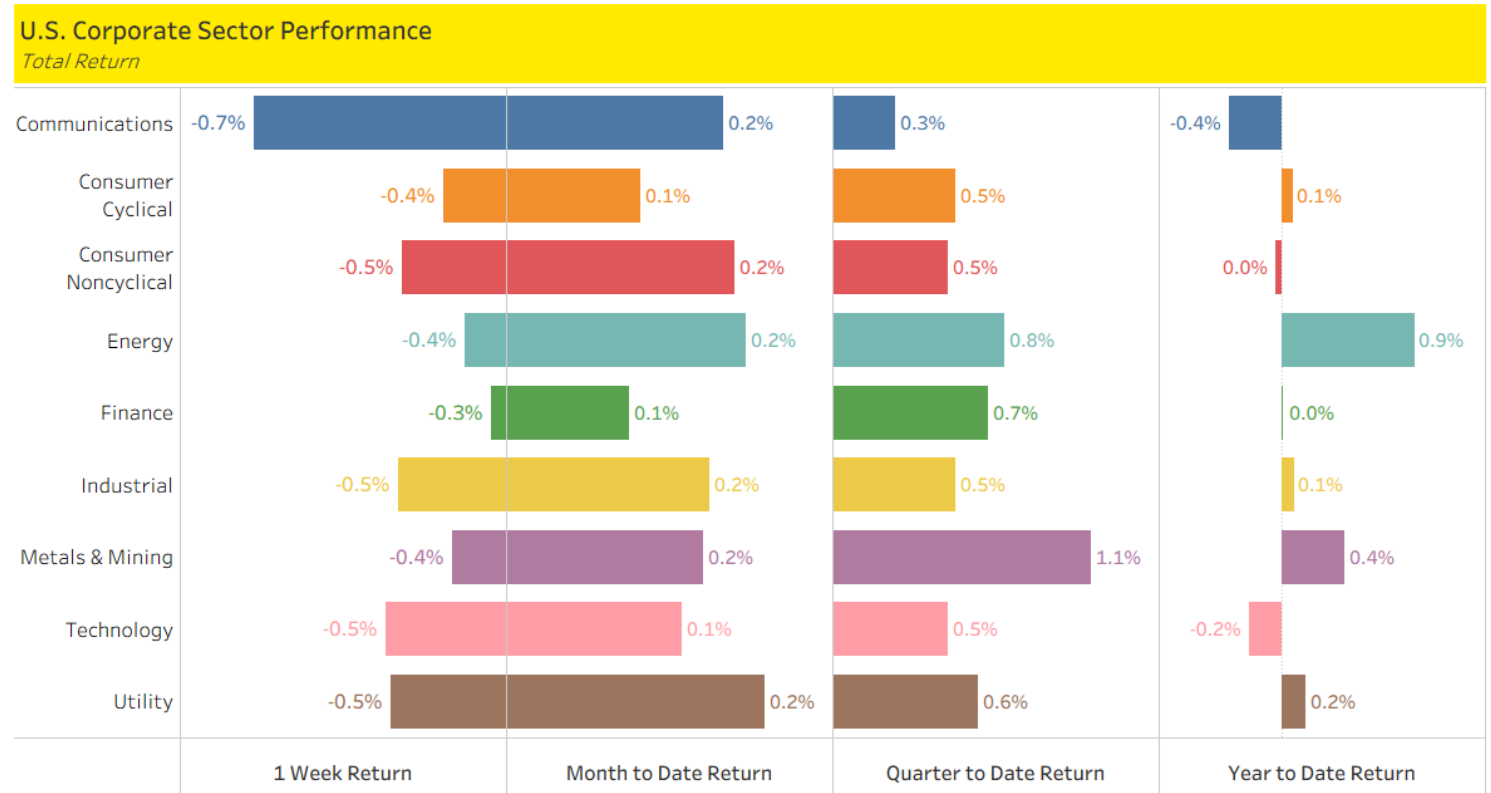
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# Corporate Sector Unhedged Total Returns

## Cash spreads close unchanged to +2 bps.

IG cash spreads little changed with TMT underperforming slightly on the heels of a \$25 billion new issue from META. Autos (-22) and basics (-15) were the best performers in April. The broad market improved 5-7 bps during the month.



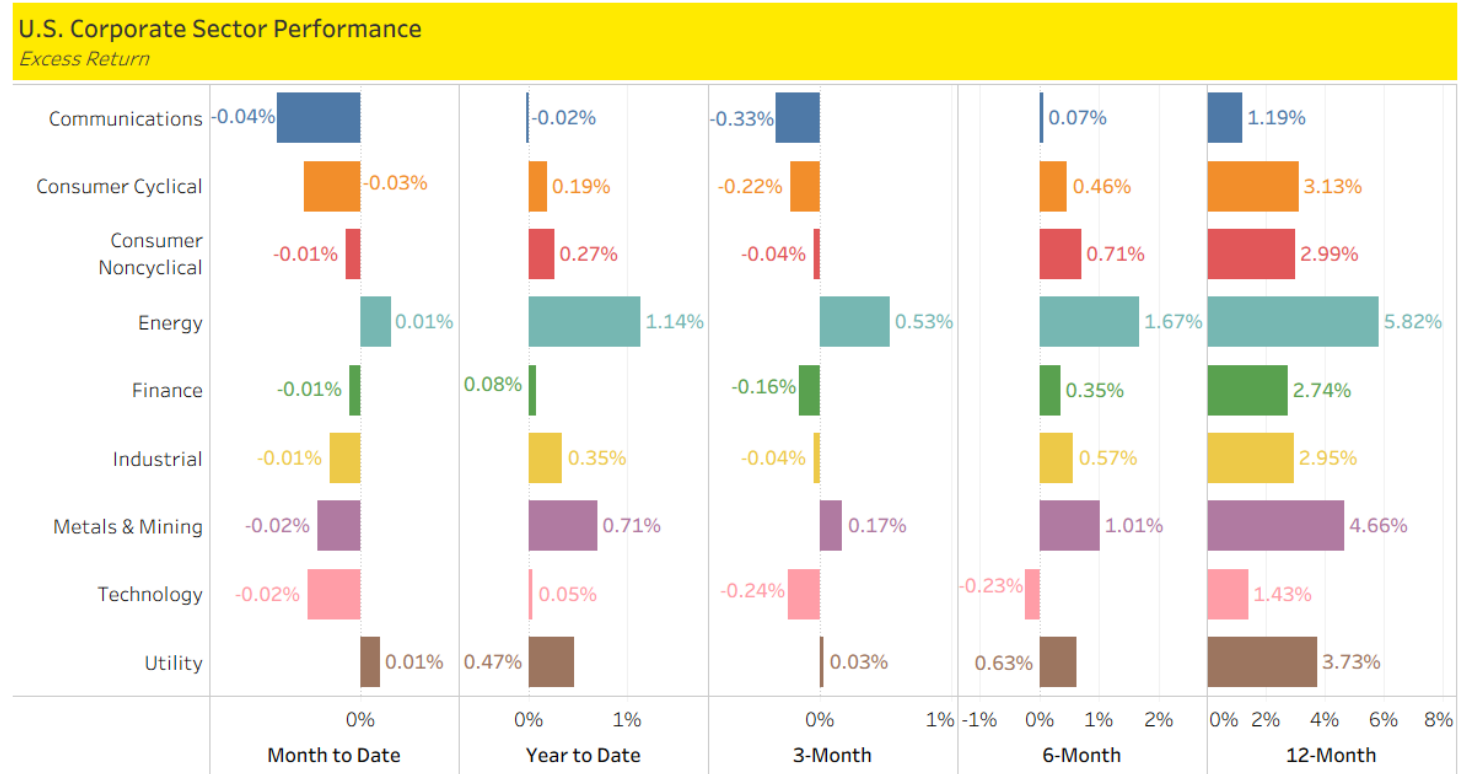
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# Corporate Sector Excess Returns

## IG credit index widens a bp, finishes April -10 bps.

Demand for IG credit in the current yield environment remains substantial. The short Bloomberg IG index beat similar maturity Treasuries in April by 39 bps. The long duration index topped long Treasuries by 109 bps.



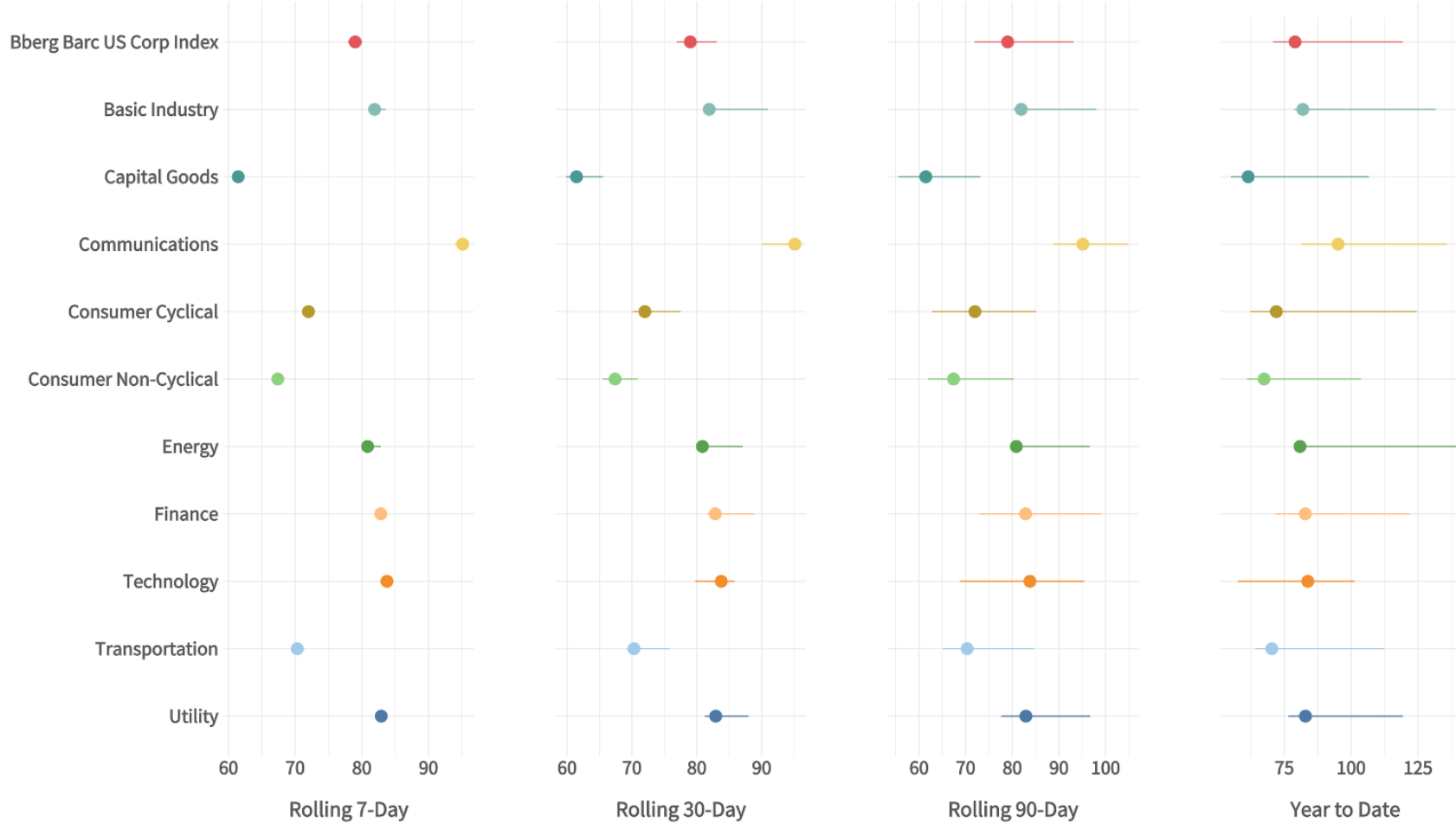
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# Corporate Sector OAS

## U.S. Investment Grade Credit Options-Adjusted Spread

Range of OAS over Period

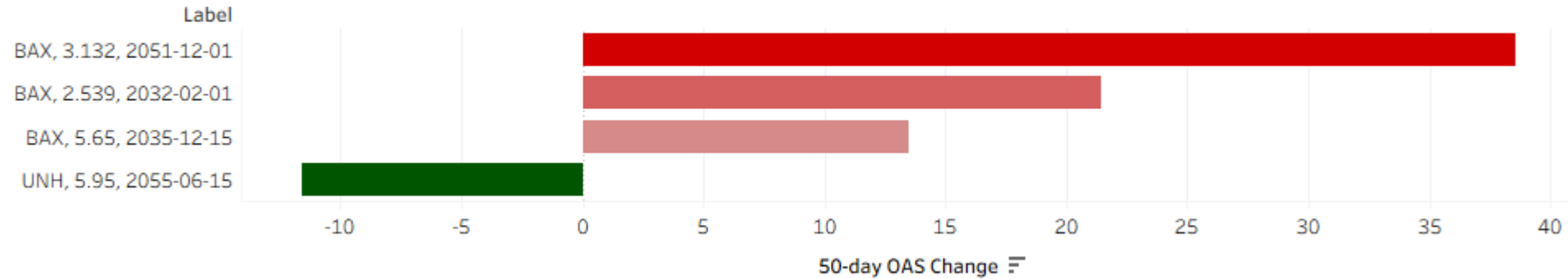


Data Source: Bloomberg, LP

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## U.S. Investment Grade Corporates

Healthcare - Biggest Movers



Data Source: Bloomberg LP

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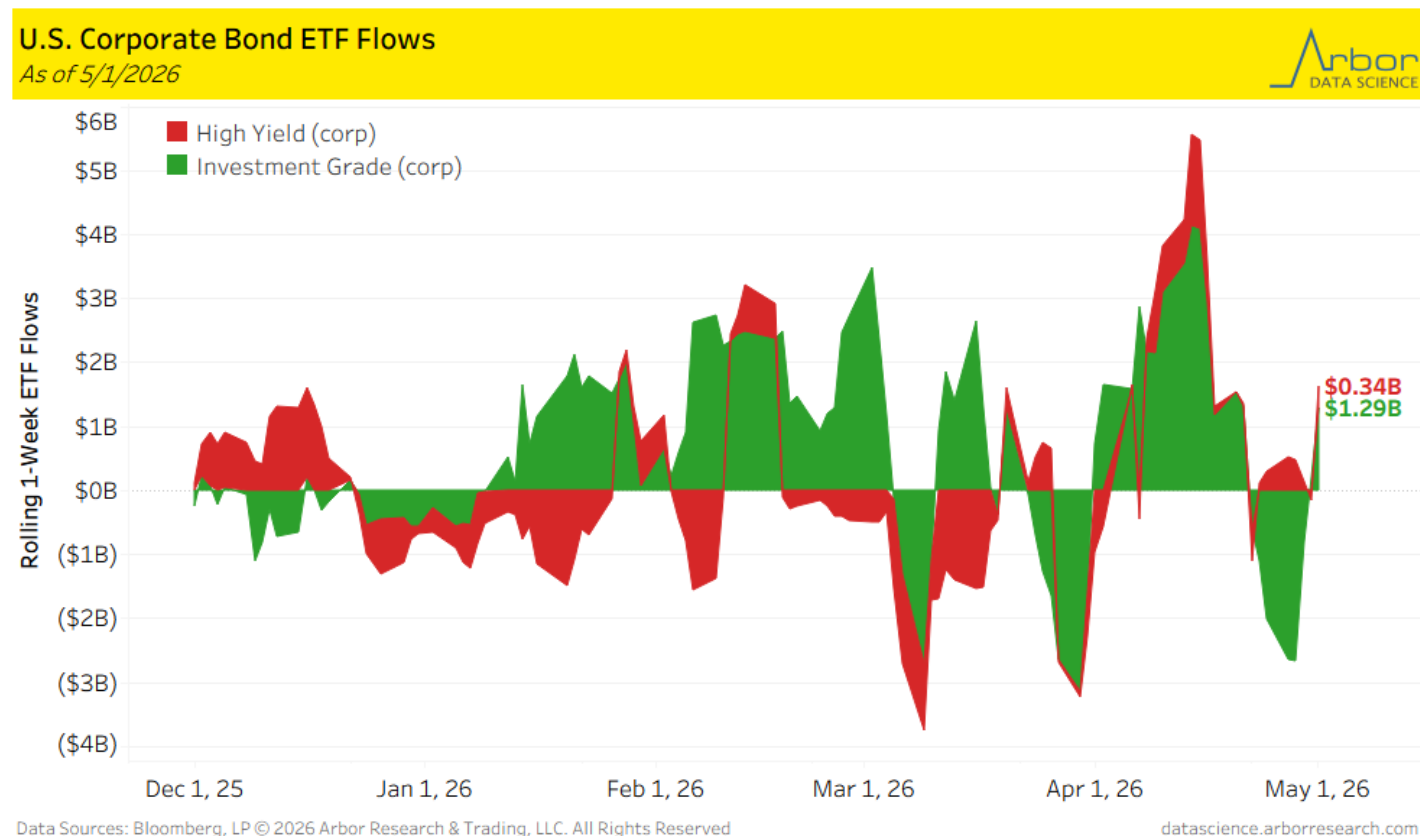
High grade credit fund flows accelerated to +\$4.98 billion last week, from +\$3.35 billion previously. IG mutual funds took on +\$1.82 billion of new cash, up from +\$0.73 billion during the prior survey period. IG ETFs saw an increase to +\$3.15 billion from +\$2.61 billion last week.

High yield funds saw an inflow of +\$1.77 billion from +\$0.21 billion.

# Corporate Bond ETF Flows

Corporate bond ETF flows were positive for the week ended 5/1/2026, with High-Yield ETFs gaining \$0.34 billion and Investment-Grade ETFs gaining \$1.29 billion.

*The chart shows stacked rolling one-week flows into corporate bond ETFs.*



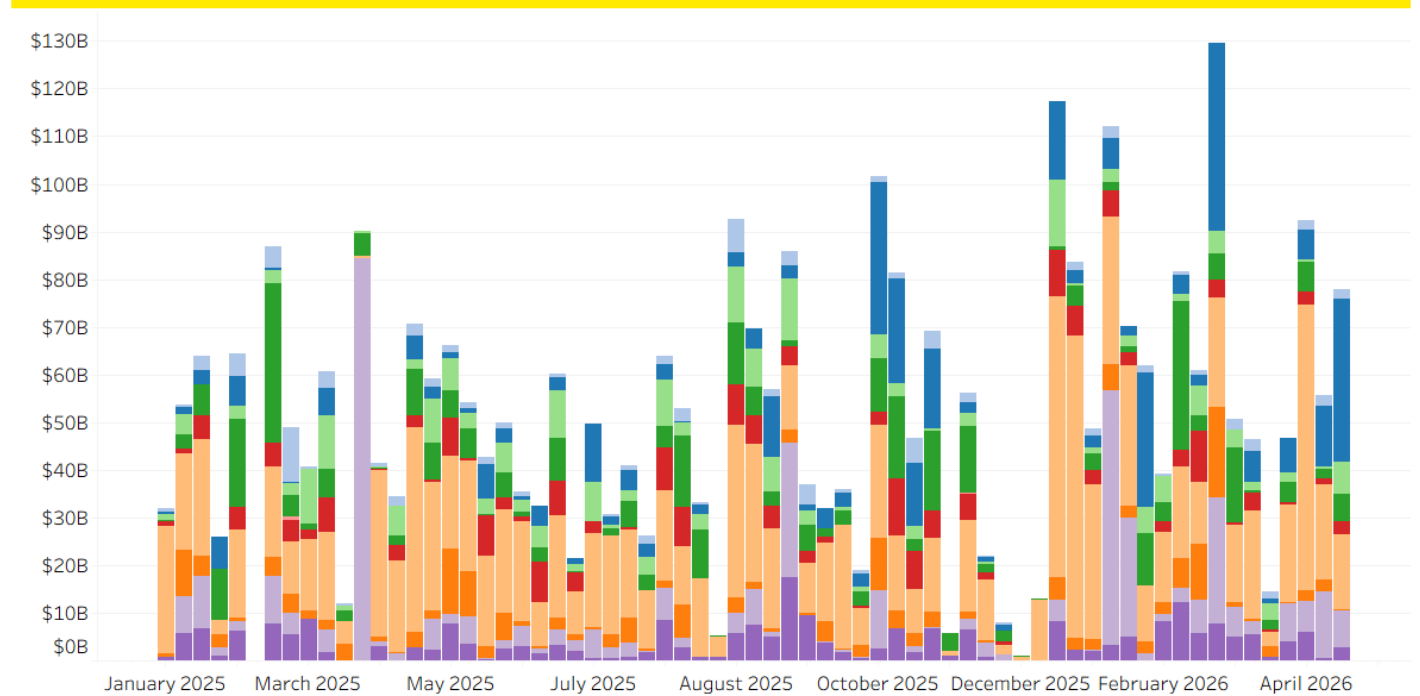
# Issuance Recap

Primary issuance registered \$201 billion in April, making it the busiest since 2020. The 5-year average for the month was \$104 billion.

\$40 billion is expected this week, and \$175 for the month of May.

## Weekly U.S. Corporate Issuance

As of 5/01/2026



### Sector

- Basic Materials
- Consumer, Cyclical
- Consumer, Non-cyclical
- Diversified
- Energy
- Financial
- Industrial
- Technology
- Utilities
- Communications

Data Source: Bloomberg

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